

AMENDMENT TO H.R. 1402, AS REPORTED
OFFERED BY MR. STENHOLM OF TEXAS

Page 7, strike line 19 and all that follows through line 10 on page 8, and insert the following:

1 **“SEC. 23. DAIRY FORWARD PRICING PILOT PROGRAM.**

2 “(a) PILOT PROGRAM REQUIRED.—Not later than 90
3 days after the date of enactment of this section, the Sec-
4 retary of Agriculture shall establish a temporary pilot pro-
5 gram under which milk producers and cooperatives are au-
6 thorized to voluntarily enter into forward price contracts
7 with milk handlers.

8 “(b) MINIMUM MILK PRICE REQUIREMENTS.—Pay-
9 ments made by milk handlers to milk producers and co-
10 operatives, and prices received by milk producers and co-
11 operatives, under the forward contracts shall be deemed
12 to satisfy—

13 “(1) all regulated minimum milk price require-
14 ments of paragraphs (B) and (F) of subsection (5)
15 of section 8c; and

16 “(2) the requirement of paragraph (C) of such
17 subsection regarding total payments by each han-
18 dler.

1 “(c) MILK COVERED BY PILOT PROGRAM.—The pilot
2 program shall apply only with respect to the marketing
3 of federally regulated milk that—

4 “(1) is not classified as Class I milk or other-
5 wise intended for fluid use; and

6 “(2) is in the current of interstate or foreign
7 commerce or directly burdens, obstructs, or affects
8 interstate or foreign commerce in federally regulated
9 milk.

10 “(d) DURATION.—The authority of the Secretary of
11 Agriculture to carry out the pilot program shall terminate
12 on December 31, 2004. No forward price contract entered
13 into under the program may extend beyond that date.

14 “(e) STUDY AND REPORT ON EFFECT OF PILOT
15 PROGRAM.—

16 “(1) STUDY.—The Secretary of Agriculture
17 shall conduct a study on forward contracting be-
18 tween milk producers and cooperatives and milk
19 handlers to determine the impact on milk prices paid
20 to producers in the United States. To obtain infor-
21 mation for the study, the Secretary may use the au-
22 thorities available to the Secretary under section 8d,
23 subject to the confidentiality requirements of sub-
24 section (2) of such section.

1 “(2) REPORT.—Not later than April 30, 2002,
2 the Secretary shall submit to the Committee on Ag-
3 riculture, Nutrition and Forestry of the Senate and
4 the Committee on Agriculture of the House of Rep-
5 resentatives a report containing the results of the
6 study.”.

